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Message Text

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ACTION IO-14

INFO OCT-01 EUR-12 EA-10 ISO-00 DEAE-00 CIAE-00 INR-07
JUSE-00 NSAE-00 SNM-05 TRSE-00 USIA-06 NSC-05
OES-07 OMB-01 L-03 /071 W
----------013655 210205Z /63
R 200530Z OCT 77
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 8645
INFO AMEMBASSY BANGKOK
AMEMBASSY BUDAPEST
USMISSION GENEVA
AMEMBASSY PARIS

C O N F I D E N T I A L VIENTIANE 1432

E.O. 11652 XGDS-4
TAGS: SNAR, PORG, UN, LA, HU (WHO)
SUBJECT: REPORTS OF PLANS TO ESTABLISH OPIATE-BASED PHARMACEU-
TICAL PRODUCING FACTORY IN LPDR

REF: (A) GENEVA 8488, (B) VIENTIANE 1395,

SUMMARY: A WESTERN SOURCE, KNOWLEDGEABLE IN THE FIELD OF NARCOTICS, REPORTS THAT WHO IS COORDINATING PLANS TO ESTABLISH OPIATE-BASED PHARMACEUTICAL PRODUCING FACILITY IN LAOS UNDER DIRECTION OF HUNGARIAN AND OTHER EXPERTS. END SUMMARY

1. WHO IN LAOS IS COORDINATING PLANS TO ESTABLISH A $1.5-2.0 MILLION FACTORY FOR PRODUCTION OF PHARMACEUTICALS, INCLUDING OPIATE-BASED DRUGS, ACCORDING TO A WESTERN SOURCE HERE.

2. A HUNGARIAN NATIONAL NAMED KOWATCH REPORTEDLY ARRIVED IN THE LPDR IN EARLY OCTOBER TO ASSUME RESPONSIBILITY FOR ESTABLISHING THE FACILITY, WHICH IS BELIEVE TO BE FUNDED BY WHO, UNDP, UNICEF, HUNGARIAN AND POSSIBLY DUTCH BILATERAL ASSISTANCE.

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3. KOWATCH'S ARRIVAL CLOSELY FOLLOWED THE OCTOBER 3 DEPARTURE OF A JAPANESE WHO OFFICIAL NAMED NAKAMIMA, WHO REPORTTEDLY CONDUCTED A FEASIBILITY STUDY FOR THE PRODUCTION FACILITY.

4. KOWATCH EVENTUALLY WILL ASSUME RESPONSIBILITY FOR PROCURING EQUIPMENT FOR THE FACILITY AND FOR PRODUCTION OF PHARMACEUTICALS. A SECOND HUNGARIAN (NOT YET IN LAOS) WILL ASSUME RESPONSIBILITY

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FOR DISTRIBUTIION AND SALES, WHILE A THIRD FOREIGN NATIONAL WILL REPORTEDLY ASSUME RESPONSIBILITY FOR MANAGMENT.

5. KOWATCH REPORTEDLY REPLACES A HUNGARIAN NAMED BAYH WHO WAS SUPPOSED TO HAVE ARRIVED IN SPRING 1977, BUT FAILED TO COME BECAUSE OF "POLITICAL PROBLEMS" IN HUNGARY.

6. COMMENT: THE SOURCE OF THE ABOVE INFORMATION NOTED THE RAPID ARRIVAL OF THE HUNGARIAN RESPONSIBLE FOR ESTABLISHING THE FACILITY FOLLOWING THE COMPLETION OF THE FEASIBILITY STUDY, SUGGESTING THAT THE FEASIBIKLITY STUDY MIGHT HAVE BEEN A MERE FORMALITY AND THAT THE DECISION TO GO AHEAD WITH THE FACILITY WAS MADE MUCH EARLIER.

7. COMMENT: WE HAVE NO SEPARATE CONFIRMATION OF ANY OF THE ABOVE INFORMATION AND WOULD APPRECIATE ANY INFORMATION THAT ADDRESSEES MAY HAVE THAT WOULD SHED LIGHT ON THE REPORT.

8. COMMENT: EMBASSY CONTINUES TO BELIEVE THAT BOTH THE ABILITY AND INTENT OF THE LPDR TO MAINTAIN ADEQUATE "CONTROLS IN FORCE" ARE OPEN TO QUESTION, AND THAT ESTABLISHMENT OF AKN OPIATE-BASED DRUG PRODUCING FACILITY COULD UNDERMINE EFFORTS TO SUPRESS ILLICIT PRODUCTION AND INTERNATIONAL SALES OF LAO OPIUM. WE NOTE INCB SECRETARY STEPCZYNSKI'S COMMENT (REF A) THAT "ESTABLISHMENT OF ANY OPIUM PROCESSING FACILITY IN LAOS WOULD BE SERIOUSLY IN CONFLICT WITH GOAL ... OF ELIMINATING OPIUM CULTIVATION IN LAOS WITHIN FIVE KYEARS." WE ALSO NOTE STATMENT BY FRED MACKENZIE, CONFIDENTIAL

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WHO VISITED LAOS IN APRIL AS REPRESENTIATIVE OF THE EXECUTIVE DIRECTOR OF UNFDAC, THAT IMPLEMENTATION OF UNFDAC PROGRAM TO ASSIST "KM 62" AND ESTABLISH A "NEW VILLAGE" PROJECT WOULD AWAIT SATISFACTORY RESOLUTION OF PROBLEMS ARISING FROM BULGARIAN INTEREST IN PURCHASE OF LAO OPIUM AND HUNGARIAN ASSISTANC IN DEVELOPMENT OF PHARMACEUTICAL PROCESSING IN LAOS (PARA 2 REF A).

9. COMMENT: REF (B) (PARA 5) REPORTS CONTINUED EFFORTS BY THE BULGARIAN AMBASSADOR TO THE LPDR TO SECURE HIS GOVERNMENT'S APPROVAL FOR THE PURCHASE OF LAO OPIUM. REF (B) ALSO REPORTS CONTINUING PROGRESS IN UNFDAC PROGRAM TO ASSIST "KM 62" ANKD TO ESTABLISH A "NEW VILLAGE" ("RURAL DEVELOPMENT COMPLEX"). CORCORAN

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Message Attributes

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Disposition Approved on Date:
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